

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6042

BILL NUMBER: HB 1039

NOTE PREPARED: Nov 5, 2009

BILL AMENDED:

SUBJECT: Lifetime Hunting, Fishing, and Trapping Licenses.

FIRST AUTHOR: Rep. Herrell

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ GENERAL
☒ DEDICATED
☐ FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the director of the Department of Natural Resources (DNR) to make available to residents lifetime hunting, fishing, and trapping licenses.

Effective Date: July 1, 2010.

Explanation of State Expenditures: The DNR will experience an increase in administrative expenses associated with re-establishing the lifetime licenses; however, the fee established for the license could be used to pay for any additional administrative expense. Additionally, the DNR should be able to accomplish this task given its existing levels of appropriations. For FY 2009, the DNR reverted \$8 M to the General Fund and \$17.5 M in all funds.

Explanation of State Revenues: Before July 1, 2005, the DNR could issue lifetime licenses. However, P.L. 225-2005 stipulated that provisions pertaining to the lifetime licenses applied only prior to July 1, 2005. This proposal re-establishes the license.

As of 2005, 48,467 lifetime licenses had been sold. Of this total, 43,657, or 89%, were comprehensive hunting licenses. The following analysis assumes that all lifetime licenses purchased will be for hunting licenses.

The fee for an annual hunting license is \$17 (\$0.75 of a license's fees is retained by the selling agent). The fee for a comprehensive lifetime hunting license would be 60 times this fee, or \$1,020.

IC 14-22-12-7 provides that all money received for the lifetime license must be deposited in the Lifetime

License Trust Fund (LLTF). IC 14-22-4-6 provides that all accumulated earnings in the LLTF plus 2.5% of the money in the fund must be transferred to the Fish and Wildlife Fund (FWF) to maintain the automated point-of-sale licensing system and to pay the operational expenses of the Divisions of Fish and Wildlife and Law Enforcement.

Based on the sale of one lifetime license at \$1,020, the Divisions of Law Enforcement and Fish and Wildlife could over the lifetime of the license receive 2.5%, or approximately \$25.50, plus \$11.83 in interest, for a total of \$37.33 per year. (Interest earnings were based on a 1.16% rate, which was the average interest rate received on the Lifetime License Trust Fund's free balance in FY 2009.)

If an individual purchased from the DNR an annual license for hunting at \$16.25, a turkey hunting license at \$24.25, a game bird habitat stamp at \$6, a deer firearms license at \$23.25, and a deer muzzle loader license at \$23.25, the total license revenue collected, or \$93, would be deposited in the FWF, which is used to finance the operations of the Divisions of Law Enforcement and Fish and Wildlife.

The difference in the annual amount generated for the FWF if a lifetime license is purchased versus annual licenses would equal a decrease in revenue of \$55.67 per license purchased.

From 1983 through 2005, an average of 2,100 lifetime licenses were sold each year. If lifetime licenses were issued and 2,100 hunters purchased a lifetime license each year, the FWF would see a decrease in revenue of approximately \$116,907 the first year, a decrease of \$233,814 the second, and a decrease of \$305,721 the third. Over the course of a 30-year period, the fund would experience a decrease of an estimated \$3.5 M, assuming no increases in the fee for licenses. (This estimate does not consider the influence of inflation, nor does it consider increased purchases of lifetime licenses that might occur because the license has not been available since 2005. Additional purchases could also occur due to increased opportunities to hunt deer and turkeys.)

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: DNR.

Local Agencies Affected:

Information Sources: DNR.

Fiscal Analyst: Bernadette Bartlett, 317-232-9586.